

Message Text

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SUBJECT: UN COMMISSION ON TRANSNATIONAL CORPORATIONS

REF: USUN 05306 DATED DECEMBER 7, 1977

THE FOLLOWING SHOULD BE DELIVERED IN THE FORM OF A NOTE
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VERBALE TO THE SECRETARY GENERAL. IT IS THE FORMAL U.S.
GOVERNMENT RESPONSE TO THE SECRETARY GENERAL'S REQUEST
REGARDING REPORTS ON BUSINESS ACTIVITY IN SOUTHERN AFRICA.
QUOTE:

- THE PERMANENT REPRESENTATIVE OF THE UNITED STATES TO
THE UNITED NATIONS PRESENTS HIS COMPLIMENTS TO THE SECRET-

ARY-GENERAL AND HAS THE HONOR TO REFER TO THE SECRETARY-GENERAL'S NOTE VERBALE OF NOVEMBER 21 REQUESTING REPORTS PURSUANT TO PARAGRAPH 6 OF RESOLUTION E/C.10/L.17 ADOPTED BY THE COMMISSION ON TRANSNATIONAL CORPORATIONS AT ITS THIRD SESSION.

- AT THE TIME OF ITS ADOPTION, A NUMBER OF DELEGATIONS STATED OBJECTIONS TO THE RESOLUTION ON GROUNDS OF POLICY, FACTUAL AND LEGAL INACCURACIES, AND PROCEDURE (E/C.10/SR.34 AND 35), OBJECTIONS WITH WHICH MY GOVERNMENT ASSOCIATED ITSELF. IN PARTICULAR MY GOVERNMENT CONSIDERS THE ADOPTION

OF THE RESOLUTION TO HAVE BEEN BEYOND THE POWERS OF THE COMMISSION, DEALING WITH POLITICAL ISSUES PROPERLY FALLING WITHIN THE COMPETENCE OF OTHER U.N. ORGANS, AND REGRETS THAT IN THIS INSTANCE THE COMMISSION DID NOT FOLLOW ITS USUAL PRACTICE OF ARRIVING AT DECISIONS BY CONSENSUS. FOR THESE REASONS, MY GOVERNMENT CANNOT AGREE TO SUBMIT A REPORT AS REQUESTED BY THE SECRETARY-GENERAL.

- THE GOVERNMENT OF THE UNITED STATES IS OF COURSE FULLY COMMITTED TO SUPPORT THE STUDY ACTIVITIES OF THE CENTRE ON TRANSNATIONAL CORPORATIONS REGARDING THE SUBJECT AREAS CONTAINED IN THE PROGRAM OF WORK WHICH HAS BEEN AGREED UPON BY THE COMMISSION (E/C.10/16), AND IS PREPARED TO ASSIST THE CENTRE BY PROVIDING APPROPRIATE INFORMATION UNCLASSIFIED

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WHICH THE CENTRE MAY REQUIRE IN THIS REGARD.

- AS MEMBERS OF THE COMMISSION ARE WELL AWARE, THE UNITED STATES GOVERNMENT HAS ON MANY OCCASIONS EXPRESSED ITS VIEW THAT THE APARTHEID POLICIES OF PRESENT REGIME IN SOUTH AFRICA ARE ABHORRENT. THE PRESENT POLICY OF THE UNITED STATES GOVERNMENT IS TO NEITHER DISCOURAGE NOR ENCOURAGE INVESTMENT IN SOUTH AFRICA, BUT WE HAVE EMPHASIZED TO U.S. BUSINESSES THE NEED FOR FAIR AND ADEQUATE WAGES FOR BLACKS, INCREASED OPPORTUNITIES FOR BLACK WORKERS TO RECEIVE TRAINING AND ADVANCEMENT, COMPREHENSIVE FRINGE BENEFITS, AND THE RECOGNITION OF BLACK UNIONS.

- SINCE 1973 THE U.S. HAS PUBLICLY URGED AMERICAN FIRMS OPERATING IN SOUTH AFRICA TO INITIATE AND TO STRENGTHEN ENLIGHTENED EMPLOYMENT PRACTICES TOWARD ALL OF THEIR EMPLOYEES, REGARDLESS OF RACE. (ABOUT 350 COMPANIES BASED IN THE UNITED STATES DO BUSINESS IN SOUTH AFRICA. THESE COMPANIES EMPLOY ABOUT 100,000 PEOPLE, 70 PERCENT OF WHOM ARE BLACK.) WE FIRMLY BELIEVE THAT THE COMPREHENSIVE APPLICATION OF PROGRESSIVE EMPLOYMENT PRACTICES IN SOUTH AFRICA WILL SIGNIFICANTLY ASSIST PROGRESS TOWARD RACIAL

EQUITY IN THAT COUNTRY.

- THE UNITED STATES GOVERNMENT STRONGLY SUPPORTS EFFORTS SUCH AS THOSE ORGANIZED BY THE REVEREND LEON SULLIVAN TO GAIN VOLUNTARY AGREEMENT BY U.S. FIRMS ACTIVE IN SOUTH AFRICA TO A SET OF PRINCIPLES PROMOTING RACIAL EQUALITY IN THE WORKPLACE. TO DATE, ALMOST 60 U.S. CORPORATIONS (INCLUDING THE LARGEST FIRMS IN TERMS OF EMPLOYMENT) HAVE SUBSCRIBED TO THIS INITIATIVE. THESE COMPANIES HAVE COMMITTED THEMSELVES TO DESEGREGATION OF ALL FACILITIES AT THEIR PLANTS TO NON-DISCRIMINATORY PAY RATES AND TO PROGRAMS GIVING BLACKS INCREASED OPPORTUNITIES FOR BETTER PAYING JOBS INCLUDING MANAGEMENT POSITIONS.

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EFFORTS SUCH AS THOSE OF REV. SULLIVAN HAVE PLAYED AN IMPORTANT ROLE IN IMPROVING THE EMPLOYMENT PRACTICES OF U.S. FIRMS IN SOUTH AFRICA.

- WE ALSO APPLAUD THE EFFORTS OF THE EUROPEAN COMMUNITY IN DEVELOPING A COMMON CODE OF CONDUCT FOR EUROPEAN FIRMS OPERATING IN SOUTH AFRICA. WE BELIEVE THAT SUCH EFFORTS ARE AN IMPORTANT MEANS OF MAINTAINING CONTINUING PRESSURE ON SOUTH AFRICA TO MODIFY ITS APARTHEID POLICIES.

- HARD ECONOMIC ARGUMENTS, AS WELL AS MORAL CONVICTION, UNDERLIE THE U.S. POSITION THAT FOREIGN CORPORATIONS IN SOUTH AFRICA CAN BE A POSITIVE FORCE FOR CHANGE. FOREIGN INVESTORS IN SOUTH AFRICA, LIKE MANY SOUTH AFRICANS THEMSELVES, UNDERSTAND THAT THE POLITICAL UNCERTAINTIES CREATED BY THE SYSTEM OF APARTHEID INEVITABLY MUST LEAD TO AN INCREASINGLY MORE DIFFICULT AND STRAINED BUSINESS CLIMATE, QUITE APART FROM OTHER POLITICAL AND MORAL CONSIDERATIONS. ECONOMIC IMPERATIVES THUS ADD SIGNIFICANTLY TO THE WILLINGNESS OF FOREIGN INVESTORS TO ACT AS A POSITIVE FORCE FOR CHANGE. IN ADDITION, FAIR EMPLOYMENT PRACTICES, BY GIVING BLACKS A GREATER ECONOMIC STAKE IN THE LIFE OF THE NATION, WILL HELP TO BUILD THE CONSCIOUSNESS OF WHITES AND BLACKS ALIKE THAT OPPORTUNITIES DO EXIST FOR FORCING PEACEFUL CHANGE THROUGH ECONOMIC POWER.

- IN SUM, THE UNITED STATES GOVERNMENT FEELS THAT THE INTERNATIONAL BUSINESS COMMUNITY OPERATING IN SOUTH AFRICA HAS AN EXTREMELY IMPORTANT ROLE TO PLAY IN PROMOTING RACIAL EQUITY BY ADOPTING PROGRESSIVE EMPLOYMENT PRACTICES IN THEIR SOUTH AFRICAN SUBSIDIARIES. THE PRESENCE OF AMERICAN COMPANIES IN SOUTH AFRICA ENTAILS A CLEAR RESPONSIBILITY TO OPERATE IN A MANNER THAT PROMOTES THE GROWTH

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OF A SOUTH AFRICAN SOCIETY OPEN AND FAIR TO ALL ITS PEOPLE.
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